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***EARP Update  
Solar MREP Meeting  
December 12, 2012***

***Keith Troyer  
EARP Coordinator***

# ***EARP Agenda***

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- **Program Overview**
- **Expansion Plan**
- **Eligibility Requirements**
- **Results**
  - **Solar Production**
  - **Program Interest**
  - **Current Status**
- **Future of EARP**

# Overview

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- **Experimental Advanced Renewable Program (EARP)**
- **Customer-Owned Solar Photovoltaic Generators**
- **Original EARP (Phases 1 & 2)**
  - 102 Customer-Owned Generators
  - 2 MW Installed DC Nameplate Capacity
  - 12 Year Contract Term
- **EARP Expansion (Phases 3 and beyond)**
  - Total Payments to Customers: \$14.5 Million
  - ≈ 350 Additional Customer-Owned Generators
  - ≈ 3.25 MW Additional Solar PV Installations
  - Fixed Rate up to \$0.26 per kWh
  - 15 year Contract Term

# Expansion Plan

- **3 MW expansion**
  - 1500 kW Residential, 1500 kW Non-Residential
- **1 MW per year in Phases**
  - 250 kW Non-Residential – Semi-Annually
  - 125 kW Residential – Quarterly
- **Additional Capacity 4<sup>th</sup> Year**

|      | Q1 (kW)     |                 | Q2 (kW)     |                 | Q3 (kW)     |                 | Q4 (kW)     |                 | Allocated Capacity (kW) |                 |       |
|------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------------------|-----------------|-------|
|      | Residential | Non-Residential | Residential | Non-Residential | Residential | Non-Residential | Residential | Non-Residential | Residential             | Non-Residential | Total |
| 2011 |             |                 |             |                 |             |                 |             | 250             | 0                       | 250             | 250   |
| 2012 | 125         |                 | 125         | 250             | 125         |                 | 125         | 250             | 500                     | 750             | 1250  |
| 2013 | 125         |                 | 125         | 250             | 125         |                 | 125         | 250             | 1000                    | 1250            | 2250  |
| 2014 | 125         |                 | 125         | 250             | 125         |                 | 125         | *               | 1500                    | 1500            | 3000  |
| 2015 | *           | *               | *           | *               | *           | *               | *           | *               |                         |                 |       |

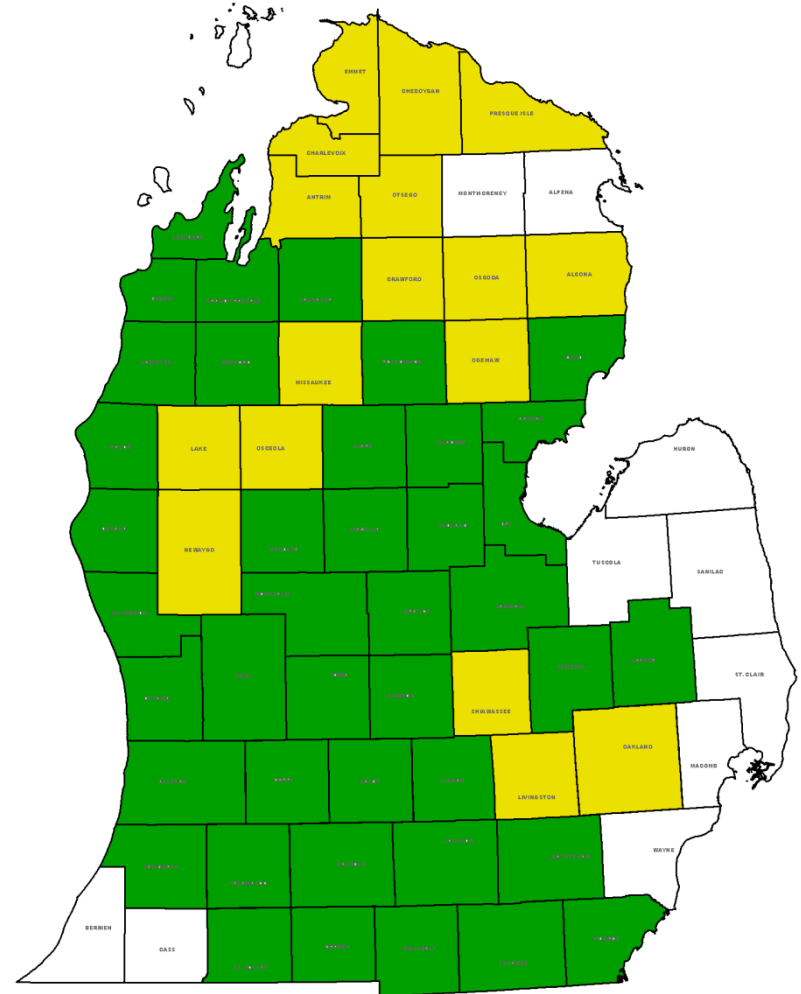
# ***Eligibility Requirements***

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- **Solar PV**
- **Satisfactory Payment History**
- **Size Limitations**
  - Generator DC Nameplate
  - Expected Production
- **Michigan Labor/Materials**
- **Customer Class**

## ***Production Results thru November 2012\****

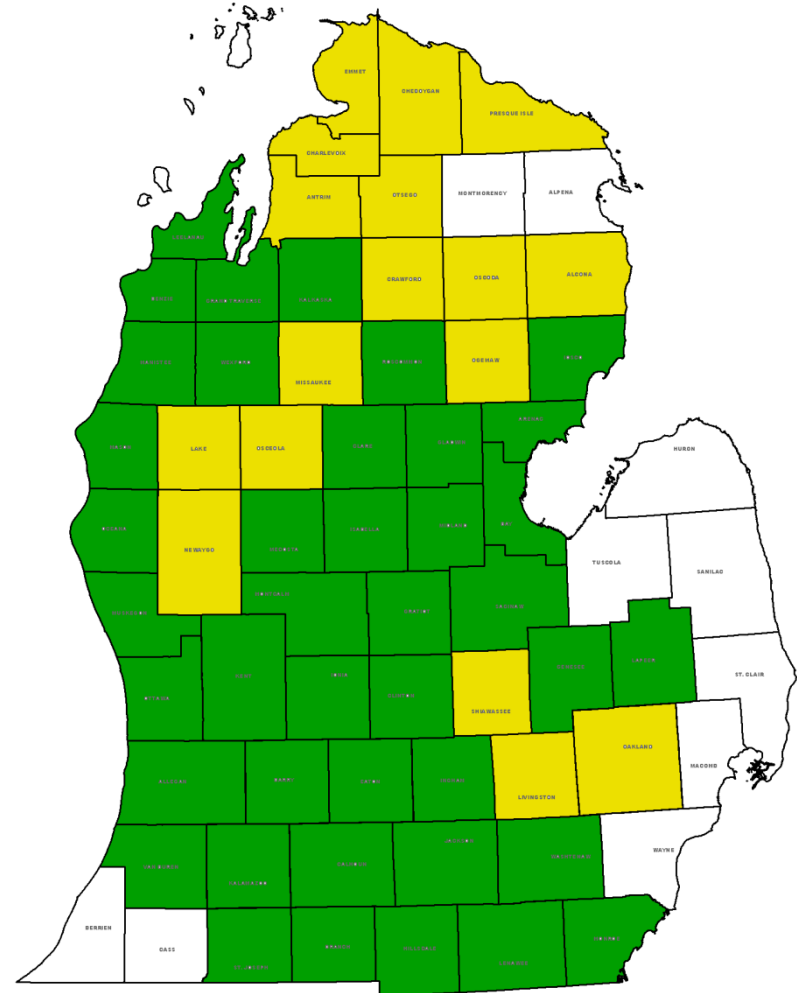
- **2.3 MW Online**
- **5,720 MWh Generated**
- **\$2.6 Million in Payments**
- **18,000 RECs Created**
- **14.0% Avg Capacity Factor**



**\*Results from current 132 operating EARP Facilities**

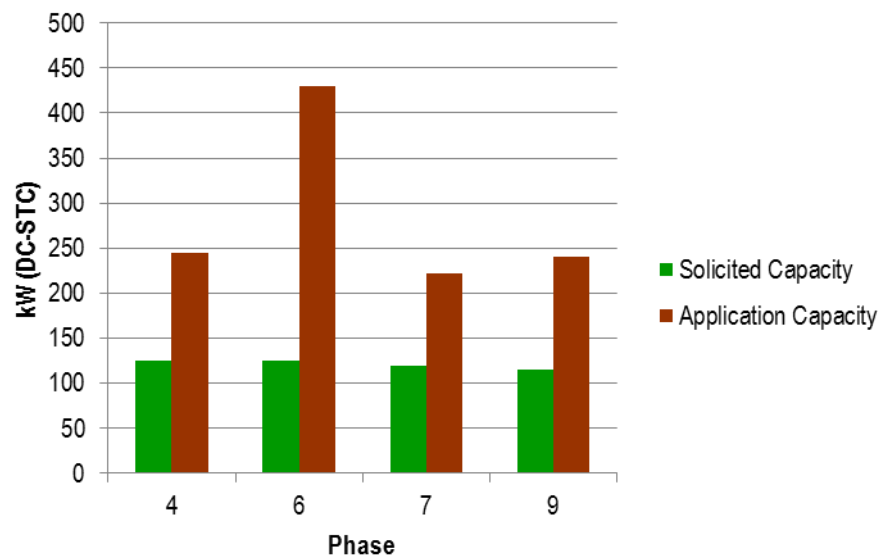
# Program Interest

- Participants in 40 of 58 Counties (69%)
- Most Participants:
  - #1: Kent – 32
  - #2: Jackson – 17
  - #3: Kalamazoo – 14  
Muskegon – 14
- Applications Received from 46 of 58 Counties (79%)



# Program Interest

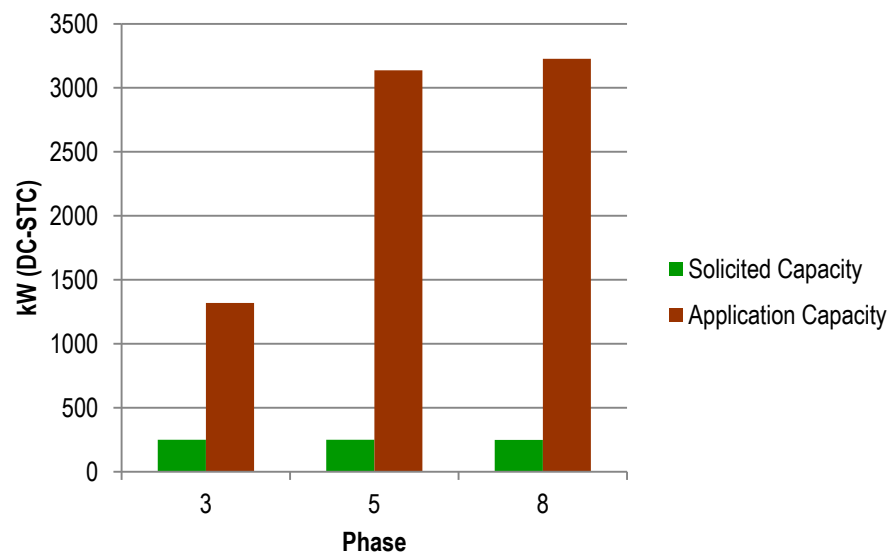
## Residential Interest



### Residential Application Capacity Awarded:

Phase 4: 50%  
Phase 6: 30%  
Phase 7: 58%  
Phase 9: 52%

## Non-Residential Interest



### Non-Residential Application Capacity Awarded:

Phase 3: 14%  
Phase 5: 8%  
Phase 8: 9%



# Current Status

|                   | Class           | Awarded kW  | Operating kW |
|-------------------|-----------------|-------------|--------------|
| Phase 1 – 2009    | Both            | 1033        | 1033         |
| Phase 2 – 2010    | Both            | 988         | 988          |
| Phase 3 – 4Q 2011 | Non-Residential | 184         | 24           |
| Phase 4 – 1Q 2012 | Residential     | 122         | 100          |
| Phase 5 – 2Q 2012 | Non-Residential | 252         | 21           |
| Phase 6 – 2Q 2012 | Residential     | 131         | 61           |
| Phase 7 – 3Q 2012 | Residential     | 129         | 43           |
| Phase 8 – 4Q 2012 | Non-Residential | 294         | 0            |
| Phase 9 – 4Q 2012 | Residential     | 126         | 0            |
| <b>Total</b>      |                 | <b>3259</b> | <b>2270</b>  |

# ***Future of EARP***

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- Expansion Budget – \$14.5 million
- Estimated Capacity for Expansion – 3.25 MW (Revised)
- Last EARP Phase Projected
  - Non-Residential: 4Q 2014
  - Residential: 1Q 2015
- After 2Q 2013, Company will reevaluate the capacity designated for Residential and Non-Residential participants

## ***Future of EARP (cont.)***

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- **Public Meeting –**  
Upcoming in January. Check website for updates
- **Next Residential Phase**
  - Phase 10 will open January 2, 2013
  - Applications are due to the EARP Coordinator by 5:00 pm on February 6, 2013
  - Phase 10 – Residential
    - ◆ Price: \$0.249/kWh
    - ◆ Capacity: 114.8 kW
- **Next Non-Residential Phase**
  - Phase 11 will open April 1, 2013
  - Applications are due to the EARP Coordinator by 5:00 pm on May 8, 2013
  - Phase 11 – Non-Residential
    - ◆ Price: \$0.209/kWh
    - ◆ Capacity: 203.9 kW

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## ***Questions?***

**E-mail: [Solar@cmsenergy.com](mailto:Solar@cmsenergy.com)**

**Website: [www.consumersenergy.com/EARP](http://www.consumersenergy.com/EARP)**

**Phone: (517) 788-8900**